

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4533-03
Bill No.: HCS for HB 1936
Subject: Agriculture and Animals: Department of Agriculture
Type: Original
Date: April 11, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	\$750,000	\$750,000
Missouri Agricultural Products Marketing Development Fund	\$0	\$0	\$0
Organic Production and Certification Fee	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>All</u> State Funds	Unknown	\$750,000 to Unknown	\$750,000 to Unknown

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Agriculture** and the **State Treasurer** stated that their agencies would not request additional resources due to this proposal.

Under current law, the legislature is to appropriate moneys from the General Revenue Fund to the Missouri Agricultural Products Marketing Development Fund in fiscal years 2002 through 2006. This proposal would repeal that language. Therefore, the fiscal impact will show a savings to the General Revenue Fund and a loss to the Missouri Agricultural Products Marketing Development Fund beginning in FY 2004.

The Missouri Agricultural Products Marketing Development Fund is to receive income from license fees under current law. This proposal potentially changes the licensing fee structure but does not change the destination of licensing fees collected. Therefore the fiscal impact will not show any gain or loss of licensing fee income to the Fund.

Officials of the **Secretary of State (SOS)** stated that this proposal would create the Missouri Agricultural Products Development Fund and Citizens' Advisory Commission of Marketing Missouri Agricultural Products. The Department of Agriculture and the State Treasurer may promulgate rules to implement this legislation. Based on experience with other divisions, the rules, regulations and forms issued by the Public Service Commission could require as many as 10 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in *Missouri Register* as in the *Code* because cost estimates and fiscal notes are not repeated in the *Code*. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The estimated cost of publication in FY 2003 for this proposal is \$615. Actual cost could be more or less and costs in future years would depend upon frequency and length of rules filed, amended, rescinded or withdrawn.
[(10x\$27)+(15x\$23)=\$615]

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Savings</u> - Transfers to the Missouri Agricultural Products Marketing Development Fund	\$0	\$750,000	\$750,000
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$750,000</u>	<u>\$750,000</u>
MISSOURI AGRICULTURAL PRODUCTS MARKETING DEVELOPMENT FUND			
<u>Savings</u> - Marketing Development Activities	\$0	\$750,000	\$750,000
<u>Loss</u> - Transfers from General Revenue Fund	\$0	(\$750,000)	(\$750,000)
ESTIMATED NET EFFECT ON MISSOURI AGRICULTURAL PRODUCTS MARKETING DEVELOPMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ORGANIC PRODUCTION AND CERTIFICATION FEE FUND			
<u>Income</u> - Fees for use of Missouri Organically Grown Trademark	Unknown	Unknown	Unknown
ESTIMATED NET EFFECT ON ORGANIC PRODUCTION AND CERTIFICATION FEE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill creates the Missouri Agricultural Products Marketing Development Fund for the use of the Marketing Division of the Department of Agriculture. Fees collected pursuant to participation in the AgriMissouri trademark marketing program or from any other source are to be placed in the fund.

The Citizens' Advisory Commission for Marketing Missouri Agricultural Products is created to advise the division on marketing activities associated with the AgriMissouri or successor trademark. The commission's composition, duties, and member's terms are specified.

The commission is to establish a fee structure for sellers of Missouri agricultural products electing to use the AgriMissouri or successor trademark. The commission is to create two additional trademark labels to be associated with Missouri agricultural products. The trademark labels are for certified organic products and certified family farm produced products.

The division is to create an Internet web site for the purpose of fostering the marketing of Missouri agricultural products.

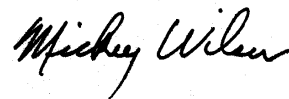
The department may cooperate with any entity, public or private, to develop standards and labeling for organic farming.

The bill also creates the Organic Production and Certification Fee Fund. Fees collected for certification of or participation in organic farming are to be placed in the fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Secretary of the Senate
State Treasurer



Mickey Wilson, CPA

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